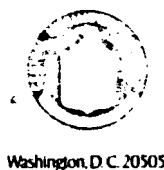
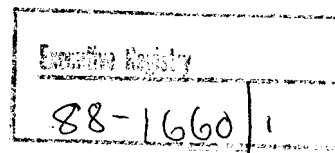


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Washington, D.C. 20505



April 27, 1988

The Honorable Louis Stokes
Chairman
Permanent Select Committee on Intelligence
U. S. House of Representatives
Washington, D. C. 20515-6415

Dear Mr. Chairman:

Many thanks for your letter of April 21st. It was a privilege for us to have you and the other Members of the Committee with us for breakfast last week, and we look forward to similar opportunities for informal discussion in the future.

With best wishes,

Sincerely,

William H. Webster
Director of Central Intelligence

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B-808-15

25 April 1988
OCA: 88-1317

MEMORANDUM FOR THE RECORD

SUBJECT: DCI/DDCI Meeting with House Permanent Select Committee
on Intelligence Members

1. On 21 April 1988 the Director hosted a breakfast meeting with the House Intelligence Committee. In attendance were:

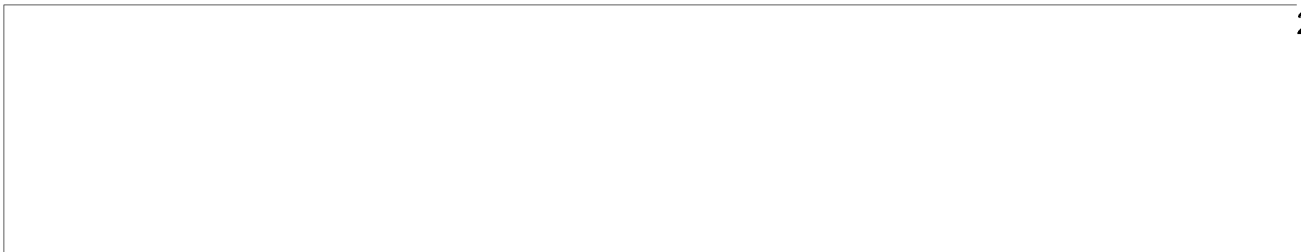
Chairman Louis Stokes (D., OH)
Anthony C. Beilenson (D., CA)
Robert Roe (D., NJ)
Matthew F. McHugh (D., NY)
Bernard J. Dwyer (D., NJ)
Barbara B. Kennelly (D., CT)
Dan Glickman (D., KS)
Bill Richardson (D., NM)

Henry Hyde (R., IL)
Dick Cheney (R., WY)
Robert Livingston (R., LA)
Bob McEwen (R., OH)
Daniel Lungren (R., CA)
Bud Shuster (R., PA)
Robert H. Michel (R., IL)

Thomas K. Latimer, Staff Director
Thomas R. Smeeton, Associate Counsel

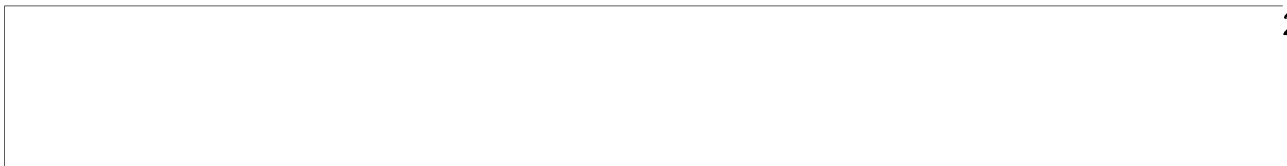
2. The Director briefed the Committee on the following items:

--Reorganization of the counterintelligence structure within the Agency and the Intelligence Community



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--CIA's positive views on Mr. Richardson's EEO amendment to the Intelligence Authorization Bill



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3. Members asked several questions on the counter-intelligence reorganization, developments in Panama and, particularly, what the Director or they can do to correct the public impression that the CIA was somehow involved with narcotics trafficking in Panama.

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John L. Helgeson
Director of Congressional Affairs

D/OCA/JLH [redacted] (26 Apr 88)

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EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

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Remarks

STAT

Executive Secretary

25 Apr '88

Date

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LOUIS STOKES, OHIO, CHAIRMAN

Room H-405, U.S. CAPITOL
(202) 225-4121

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U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515-8415

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
THOMAS R. SMEETON, ASSOCIATE COUNSEL

April 21, 1988

Honorable William H. Webster
Director of Central Intelligence
Washington, D.C. 20505

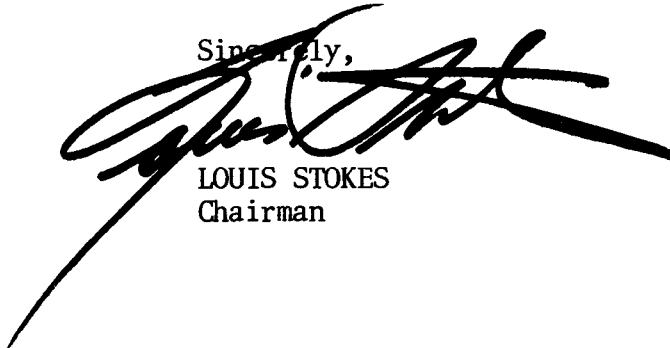
Dear Judge Webster:

I want to express to you my appreciation for inviting me and the other Members of the House Permanent Select Committee on Intelligence to the breakfast meeting today.

I believe it was a good opportunity for the Members to exchange views with you and Bob Gates in a relaxed and informal atmosphere.

I know I speak for all the Members in saying that we look forward to similar meetings in the future.

Sincerely,



LOUIS STOKES
Chairman



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20 APR 1988

MEMORANDUM FOR: The Director
The Deputy Director

FROM: John L. Helgerson
Director of Congressional Affairs

SUBJECT: Your Meeting with the Members of the House
Permanent Select Committee on Intelligence

1. On Thursday, 21 April at 0800 you are scheduled to host a breakfast for the Members of the Committee.

2. Members may ask -- or would welcome your comments -- on the following subjects, for which talking points are attached:

-- Reorganization Regarding Counterintelligence

[Redacted]

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-- Persian Gulf Events

[Redacted]

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-- EEO Plan and the Richardson Amendment

3. The current intelligence material included here is detailed, but I wanted you to see it because [Redacted] drew on this material in briefing the House Committee during our regular current intelligence briefing on Tuesday of this week. Drawing on the latest information from Thursday morning's publications would probably be of greatest interest and use to Members.

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15/
John L. Helgerson

Attachments

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[Redacted]

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HA/OCA: (20 Apr 88)

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THE SECURITY EVALUATION OFFICE

Based on my agreement with Secretary Shultz, I have established the Security Evaluation Office as an independent office of the DCI. [REDACTED]

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[REDACTED] will serve as Director. His deputy will be a senior State Department officer. This unit will build toward a staff of 60 officers drawn from the community. The missions of the office are:

--Analyze the vulnerabilities of foreign missions and the hostile intelligence threat to each.

--Set security standards to protect missions from foreign intelligence activity.

--Monitor conformance with established standards.

--Report problems and recommendations to the DCI.

In addition, two advisory groups are established. The first is a working-level group, chaired by the Director of Foreign Missions Security Office, to ease communications and to resolve issues which may arise. The second a high level board, chaired by me and on which sits Secretary Shultz, will consider recommendations. Issues not resolved by the Board will be referred to the President for adjudication.

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Insurgent Activity Increasing

Afghan insurgents have been increasingly active during the past month, using new types of equipment to attack key lines of communication, small regime outposts, and regional centers. The insurgents probably hope to demonstrate that the regime cannot keep open lines of communication.

--Resistance forces have temporarily cut the roads between Kabul and the provincial centers of Gardeyz and Ghazni [redacted]

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--Insurgent forces have closed the road between Ghazni and Orgun in Paktia Province this week [redacted] and guerrillas have reportedly closed the road between Bamian and Salang. [redacted]

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Withdrawal Preparations

Since the signing of the Geneva Accords on 14 April, Soviet forces country-wide have continued their logistics preparations in anticipation of withdrawal. Recent Soviet troop withdrawal activities appear to be oriented toward a 15 May start date, especially for those outlying units expected to move out first. These activities have been paralleled by the flow of additional weapons and equipment to both Soviet and Afghan forces.

--As a first step toward their ultimate withdrawal, exposed elements of a Spetnaz brigade in eastern Afghanistan have recently been consolidated to areas nearer its parent unit, and the similar relocation of an airborne unit in the southeast also appears imminent.

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[redacted] a large Soviet convoy from the motorized rifle brigade in Jalalabad--made up of both combat elements and transport vehicles--is now north of Asadabad in the heavily contested Konar Valley of eastern Afghanistan. The column is probably resupplying nearby Afghan garrisons and may assist in the withdrawal of the brigade's subordinate battalion from Asadabad as it returns to garrison at Jalalabad. The other Soviet unit based at Asadabad--a Spetnaz battalion--was relocated to an area near Jalalabad earlier this month.

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--Since early April large numbers of transport vehicles (including van body trucks, heavy lift trailers, and semi-trailers) have been noted [redacted] at the Khairabad and Towraghondi transshipment points. We believe that these vehicles have been sent into Afghanistan to provide additional ground lift support for withdrawing Soviet forces. [redacted] that 40th Army withdrawal planners are receiving guidance from the Soviet Ministry of Defense's Main Automotive Directorate, which is responsible for the repair and evacuation of military equipment.

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[redacted] the flow of Soviet weapons and equipment to Afghanistan has continued at high levels. During this period Soviet forces received 35 tanks, 269 light armored vehicles, and 117 artillery pieces. These figures represent a leveling off of the number of armored vehicles arriving, but an increase in the delivery of artillery--especially self-propelled guns. Afghan army units received 79 tanks, 278 light armored vehicles, and 14 pieces of artillery during the same three months. [redacted]

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Combat Operations

Since 14 April most Soviet military units in Afghanistan have remained preoccupied with preparations for the forthcoming withdrawal, leaving the burden of ground combat operations to the Afghan armed forces. Soviet air units, however, have continued to mount strikes against insurgent targets as required.

--Last week the Soviets and the Afghan Army mounted their most ambitious joint combat operation in the vicinity of Kabul since late January, when the campaign to resupply the Afghan garrison at Khowst was terminated. This modest effort--involving the equivalent of a Soviet and an Afghan regiment--probably is a "sweep" operation designed to break up insurgent concentrations along the Kabul-Gardez road in the Lowgar Valley, possibly in preparation for road security operations supporting the future withdrawal of Soviet units from Gardez. [redacted]

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Political Developments

At his press conference on Thursday, Foreign Minister Shevardnadze--reiterating the official Soviet statement distributed after the ceremony to counter the US statement of a reciprocal right to arm the resistance--stressed Islamabad's obligation to prevent the insurgents from operating out of or receiving arms through Pakistan. He also stated that the US has "no legal foundation" for continuing to provide arms and that its doing so would "complicate the matter of a political settlement."

--Moscow's public stance is probably calculated to reassure Kabul and to set the stage--by limiting the implication that the Soviets have agreed to the US position--for accusations of US and Pakistani violations. [redacted]

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Kabul's Reaction to Geneva

[redacted] little reporting on the PDPA's reaction, although both Afghan and Soviet media are stressing that the Soviet Union will not abandon the Afghan regime. The regime appears to be trying to maintain an air of normalcy in the capital.

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[redacted] the regime may hold a "grand tribal assembly" in mid-May to sanction the creation of a coalition government consisting of the PDPA and the sham parties it has established over the past six months.

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--Kabul also apparently intends to soon announce plans for the repatriation of refugees and to appeal for aid from the UN and other major humanitarian aid organizations. In a speech on 16 April, Najibullah announced that Kabul was considering removing its troops from some areas--presumably in eastern and southern Afghanistan--in order to encourage the return of refugees. [redacted]

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Resistance Reaction to Geneva

Resistance alliance spokesman Gulbuddin and the other party leaders have publicly denounced the Geneva accords, but in terms that were less strident than we anticipated. At a rally in Peshawar on 16 April, 30,000 to 40,000 Afghans heard alliance leaders berate the Geneva settlement, urge the refugees not to return home, and assert the war would not end until the insurgents establish an Islamic government in Kabul. Several mid-level alliance officials privately have told US officials in Peshawar that the party leaders are pleased that the accords allow the continuation of external aid to the insurgents.

--President Zia met with the alliance leaders last week and reassured them that aid would continue as long as Moscow kept supplying the Afghan regime. He also assured them that Pakistan has no intention of forcing the refugees to return home. Zia--for the time being--apparently has convinced the insurgents to adopt a wait-and-see attitude regarding the Geneva settlement. [REDACTED]

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Although the resistance's remarks so far have been temperate, we believe they are quite nervous.

--The party chiefs doubt the Pakistanis' willingness to keep the supply pipeline open if Moscow focuses international--especially UN Security Council--attention on the continuing flow of arms across the Pakistan-Afghanistan border.

--The fundamentalist leaders--[REDACTED]--also suspect that the USSR and the US are conspiring to prevent the creation of an Islamic government in Kabul. This fear probably is driving the fundamentalists' desire to establish an insurgent government inside Afghanistan as soon as possible.

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--The loss of sophisticated weaponry in the Rawalpindi explosion on 10 April almost certainly will add to the jitters of insurgent political leaders and field commanders. [REDACTED]

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Pakistan: A Sense of Relief

Thursday's signing of the Geneva Accords was greeted with a sigh of relief and guarded optimism. Most Pakistanis are hopeful that the fighting will end and the refugees will leave for home.

--[REDACTED] Pakistan's media gave extensive coverage to Prime Minister Junejo's address to the nation on the eve of the Accord's signing, terming it a triumph of peace.

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--The major newspaper in the North West Frontier Province--where many of the refugees are located--ran editorials expressing concern that continuing supplies to the resistance could probably prolong the civil war and discourage the return of the refugees.

--Major opposition leader, Benazir Bhutto [REDACTED] has issued a statement highly critical of the Accords because she claims that they neither end the fighting nor guarantee the return of the refugees.

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--Religious fundamentalist parties, which are well-organized and capable of putting thousands into the streets, are calling for mass protests against the Accords. [REDACTED]

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Update on the Situation in the Persian Gulf

There were no additional military exchanges between US and Iranian forces last night, and the Persian Gulf remains relatively quiet.

- Iranian gunboats, however, attacked a UAE-flag tanker, the Ton Fal V, in the southern Gulf around 1330Z (0530 EDT), according to press reports. There is no further information on the extent of damages or casualties.
- Iranian forces in the northern Gulf are on high alert and have been ordered to confront any US threat.
- We have no information to confirm press reports that Iran fired several Silkworm missiles at US warships in the Strait of Hormuz during yesterday's engagement. At least two US combatants detected radar emissions possibly associated with Silkworm firing positions near the western Strait, but there were no reported missile launches.

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We believe the Iranian response to the US attacks means we can expect Tehran to employ more aggressively its conventional military and terrorist assets against its opponents.

- While the threat to US forces in the Gulf has undoubtedly increased, we are not ready to say that Tehran will now continue without pause to initiate direct, conventional attacks on US military targets.
- We believe what we have seen over the past few hours represents Iran's response to an immediate situation in which its forces were under attack by the United States. Iranian leaders probably felt Iran would be humiliated and lose all credibility if it reacted with restraint, as it did last year when the US captured the Iran Ajr and attacked the Rostam oil platform.
- Once the current exchanges die down, we believe Iran probably will be more cautious about initiating direct attacks on US military targets, such as launching a Silkworm missile against a US naval ship.
- Iran now is left with no doubt that such attacks would bring even more massive US retaliation, probably including strikes against important Iranian military installations. Iran will think twice about risking such damage to its

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overall military capabilities, especially now that it is facing a more confident and aggressive Iraq.

- The close proximity of US and Iranian forces, however, and the heightened tensions between them increases the chances of unintended clashes that could quickly escalate. 25X1

In any case, we believe Iran will respond to today's events with terrorist strikes against US targets.

- Iranian intelligence officers world-wide have in recent months engaged in extensive surveillance of potential US targets. Iran has formulated contingency plans for operations against the United States. 25X1
- Iranian leaders probably will conclude that terrorism by Iranian surrogates is the best method of delivering a blow against the United States while limiting the prospects of even more massive US retaliation. 25X1

Iranian revenge also is likely to be directed against US allies in the Gulf and to take the form of increased terrorist and conventional military strikes on selected targets in the Gulf Arab states. Iran's options include:

- Increased attacks on non-escorted shipping in the Gulf with small boats, aircraft, and naval combatants--provided any of the latter are left.
- Launching Silkworm missiles against Kuwaiti oil economic facilities.
- Small boat attacks on Kuwaiti and Saudi offshore oil facilities.
- Sabotage of Kuwaiti oil facilities by pro-Iranian dissidents.
- Terrorist bombings of Saudi and Kuwaiti facilities worldwide, such as the bombing yesterday of the Saudia Airlines office in Frankfurt--the seventh such attack on a Saudi target abroad since March. 25X1

Iraq's Offensive on the Al Faw Peninsula

Iraq says its offensive to recapture Iranian-held territory on the Al Faw peninsula is continuing and that Iraqi forces have retaken the disused port city of Al Faw. Iran claims Iraqi forces used chemical weapons and press reports indicate that fighting continues.

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- [redacted] Iraqi forces 25X1
had advanced some eight or nine miles (13-14 kilometers)
east along the southern flank of the Iranian salient. [redacted] 25X1
[redacted] 25X1
- The attack indicates that Baghdad is more confident of its
military position on the ground and--in conjunction with
its missile war--has decided to retake the initiative to
press Tehran to negotiate on ending the war.
- Iran claims that Kuwait allowed Iraqi troops to stage from
Bubiyan Island and that US helicopters assisted the Iraqis.
- Tehran almost certainly will believe that US and Iraqi
actions have been coordinated, possibly strengthening its
desire to retaliate against the US. [redacted] 25X1

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RICHARDSON AMENDMENT CALLING FOR EEO PLAN

During the House Intelligence Committee's mark-up of the FY 1989 Intelligence Authorization Act, Representative Bill Richardson (D-NM) introduced an amendment on Equal Employment Opportunity. Under the provisions of the amendment the Agency and NSA will be required to submit, ninety days after enactment, an analysis of their minority representation and to develop a plan for rectifying any underrepresentation. In addition, interim reports detailing the progress made would be required in 1989, 1990 and 1991.

You can tell Messrs. Stokes and Hyde that we have examined this bill and we have no problems with what is proposed. Indeed, you have an aggressive EEO program in the Agency and so has NSA which should show very positive results. While we may have to workout some of the details, you certainly support the spirit and intent of this amendment. It is one to which we all can commit ourselves.

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